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DAIRY DIVISION  
U. S. D. A.

# REPORT

OF

## COMMITTEE APPOINTED BY THE SECRETARY OF AGRICULTURE

To Consider the Subject of Land Economics as one of  
the Divisions of Research Work of the Proposed  
Bureau of Farm Management and  
Farm Economics



UNITED STATES DEPARTMENT OF AGRICULTURE  
CIRCULAR 138  
OFFICE OF THE SECRETARY

Washington, D. C.

June, 1919

## REPORT OF COMMITTEE ON LAND ECONOMICS.

MAY 15, 16, AND 17, 1919.

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The right use of the land resources of the United States is a matter of great importance to our people. The relation of the food producer to the land has a profound influence upon his interest in his work as a producer and his interest in the conservation of the land which he cultivates. As the growth of population makes it desirable for agriculture to occupy new areas, the land policy and the methods of settlement and colonization have a profound influence upon the agriculture of the Nation and upon the welfare of the farm population.

With these problems in mind, the Secretary of Agriculture invited a committee, consisting of leading students of land problems, prominent leaders in agricultural development, and representatives of various agricultural interests, to meet with members of the U. S. Department of Agriculture to assist in perfecting plans for investigations in land utilization and land tenure. The field of investigation is one of the seven main divisions provided for in the plan of reorganization of the Office of Farm Management, as outlined in Circular No. 132, Office of the Secretary, Department of Agriculture. The committee was asked to outline the field of investigation, and to consider the cooperative relationships between the various Federal agencies and between Federal and State investigators in this comprehensive field.

The committee met in Washington, May 15 to 17, inclusive, and submitted the following report (pp. 3 to 8), which was presented to the Secretary and met with his hearty approval.

### DR. L. C. GRAY APPOINTED TO HEAD THIS WORK.

On April 25, 1919, Dr. L. C. Gray, professor of rural economics in George Peabody College for Teachers, was appointed by the Secretary of Agriculture as economist in charge of land economics, Office of Farm Management.

Dr. Gray was born in Missouri in 1881. He received the bachelor's degree from William Jewell College in 1900, and the master's degree from the same institution in 1903. He received the degree of doctor of philosophy in economics from the University of Wisconsin in 1911.

Dr. Gray has devoted his attention for many years to agricultural economics and particularly to land problems. He is the author of a

number of articles on various aspects of this subject. For the past eight years Dr. Gray has been a teacher of economics, serving in this capacity in the University of Wisconsin, University of Saskatchewan, and George Peabody College for Teachers. He is a member of a number of scientific organizations, including the American Economic Association, the American Farm Economic Association, and the American Association for Agricultural Legislation.

Dr. Gray is especially qualified by training and experience to direct the work of the Section of Land Economics outlined in this report, and not only the Department of Agriculture but the people of the United States are to be congratulated on having his services at their command.

G. I. CHRISTIE,  
*Assistant Secretary.*

MAY 22, 1919.

## RECOMMENDATIONS OF COMMITTEE.

MAY 17, 1919.

HON. D. F. HOUSTON,  
*Secretary of Agriculture.*

DEAR MR. SECRETARY: The committee called by you for consideration and discussion of the subject of land utilization and land tenure as one of the divisions of research work of the proposed Bureau of Farm Management and Farm Economics submit the following report:

We have considered principally these subjects:

1. The name of this section, which we recommend be called Land Economics.
2. An outline of the subject matter which should be included under the head of Land Economics.
3. Suggested cooperation with the other branches of the Government service in the collection of facts and the classification of land.

In view of the great importance of the subject of land economics, we recommend that ample provision be made to enable the Bureau of Farm Management and Farm Economics to investigate the topics we have outlined. We recommend also that the closest cooperation be sought not only with other bureaus and departments but also with the agricultural colleges and experiment stations and other agencies interested in land problems.

Respectfully submitted.

Charles L. Stewart; Theodore Macklin; J. A. Preus;  
Clement S. Ucker; E. B. Linfield; J. N. Hagan; C. E.  
Allred; L. C. Gray; Milton Whitney, per Thomas D.  
Rice; William A. Taylor; S. A. Lindsay; A. G. T.  
Moore; Richard T. Ely; O. E. Baker; C. V. Piper;  
E. C. C. Chilcott; Nat. C. Murray; H. T. Cory; R. P.  
Brooks; Raphael Zon; Elwood Mead; H. M. Cottrell;  
H. C. Taylor; G. I. Christie.



## OUTLINE OF STUDIES TO BE MADE.

The conference called to outline the field of investigation in Land Economics, one of the sections of the proposed Bureau of Farm Management and Farm Economics, together with the methods of coordinating the investigational activities of the section with those of other agencies, submits the following, which we believe to be a comprehensive outline of the field to be investigated:

### LAND ECONOMICS.

- A. Land resources.
- B. Land values.
- C. Land ownership and tenancy.
- D. Land settlement and colonization.
- E. Land policies.

#### A. Land resources (considered from the standpoint of economic use):

- I. Classification according to location, physical characteristics, ownership and present uses.
  - 1. Land not now in farms.
  - 2. Land now in farms.
- II. Land utilization.
  - 1. Conditions which explain present use or nonuse.
  - 2. Desirable changes in mode of use.
  - 3. Costs of making such changes, and probable economic advantages.

#### B. Land values:

- I. Comparative land values in various regions.
- II. Changes in land values.
- III. Relations of land values and land rents.
- IV. Effect of community environment on land rents and land values.
- V. Other conditions affecting land rent and land values.

#### C. Land ownership and tenancy:

##### I. Characteristics and relative extent.

- 1. Full ownership (classification by public and private, by race and nationality).
- 2. Common lands—extent, character of rights.
- 3. Mortgage indebtedness.
- 4. Tenancy.
  - a. Extent and distribution.
  - b. Increase in tenancy—absolute and relative.
  - c. Forms of tenancy.
  - d. Improvement of tenant contracts.
  - e. Informal relations of landlords and tenants.
  - f. Determination of unexhausted improvements and settlement of claims.

##### II. Conditions determining extent and character of land ownership and tenancy.

- 1. Inheritance and bequest.
- 2. Land values.
- 3. Physical conditions of regions and types of farming.
- 4. Personal characteristics of population and relative individual advantages.
- 5. Land policies.
- 6. Rural credit systems.
- 7. Time required for laborers and tenants to attain to ownership.

- III. Effects of ownership and tenancy in regard to—
  - 1. Maintenance of soil fertility.
  - 2. Productiveness per acre, per man, and per unit of invested capital.
  - 3. Adequacy of farm improvements and equipment.
  - 4. The choice of farm enterprises and methods of conducting them.
  - 5. Distribution of farm income.
  - 6. Standards of living and of thrift.
  - 7. Shifting of rural population.
  - 8. Community organization, cooperation, and social relationship.
- D. Land settlement and colonization (in undeveloped and developed areas):
  - I. Selection of land and settlers.
  - II. Methods of settlement.
  - III. Agencies, public and private.
  - IV. Causes of success and failure.
  - V. Possible scope and rapidity of settlement.
- E. Land policies.
  - I. Title registration and transfer.
  - II. Methods of facilitating acquisition of farms.
  - III. Land commissions or courts.
  - IV. Landlord's lien.
  - V. Land-selling agencies.
  - VI. Methods of alienating public land.
  - VII. Relation of taxation of land to land problems.

In considering the above outline it is apparent that a classification of lands from the standpoint of their economic utilization is a very necessary basis of studies in land economics.

The following agencies have more or less comprehensive data on the land resources of the country:

Department of Agriculture:

- Bureau of Plant Industry.
- Bureau of Soils.
- Bureau of Crop Estimates.
- Bureau of Animal Industry.
- Office of Farm Management.
- Forest Service.
- States Relations Service.
- Weather Bureau.
- Biological Survey.
- General Land Office.
- United States Geological Survey.
- United States Reclamation Service.
- Federal Farm Loan Bureau.
- Bureau of the Census.

The data gathered by these agencies, however, have never been assembled, correlated, and appraised from the standpoint of economic utilization of the land. Your committee considers the need of such a classification, which should include all the actual or potential farm, grazing, and forest lands, as imperative. This classification can be based in part on data which have been gathered by various bureaus of this and other departments, as well as by State and other agencies. The resulting information, when supplemented by such field surveys as may be necessary, would be of immediate practical value in many ways, such as guiding the course



of land settlement, determining the economically efficient size of farms in different localities, and directing wisely the agricultural energies of the country in the production of foodstuffs and raw materials.

We therefore recommend to the Secretary of Agriculture that the Office of Farm Management be especially instructed to investigate the methods that have been employed in this and other countries in land classification, and, in cooperation with the agencies heretofore enumerated, to adopt a practicable and comprehensive plan of procedure in this regard, which should be consummated as rapidly as possible.

It is evident that the rapidity of progress under any plan of land classification will depend largely on the ability of the cooperating agencies to furnish necessary physical and biological data. Provision will therefore be necessary to insure that such data be gathered as rapidly as it is needed.

The problem of the classification of land from the standpoint of its economic use suggests the importance of studying all the conditions that tend to retard the complete and efficient use of the land resources of the United States and to affect unfavorably the welfare of those engaged in agricultural activity. The land question is, of course, exceedingly complex. Certain aspects of the subject, however, require special emphasis.

The first of these considerations is that of the economic causes which prevent areas of land suitable for agriculture from being used. There are considerable areas in this and other countries which are withheld from use for various reasons, as, for instance, aggregation in large holdings, inadequate capital for improvement, insufficient facilities for transporting and marketing agricultural products, inertia of the population, and speculation. Similarly, there are other large areas where the utilization of lands for farming is wholly inadequate and wasteful because of size of farms and land holdings, absenteeism, and forms of tenancy which provide insufficient motives for careful farming, provision of suitable improvements, and conservation of soil.

There can be no question that the rapid increase of tenancy in certain regions of America has aroused a profound interest in the cause of this movement and in its significance. While many causes have been suggested, comparatively little is known as to their relative importance. Careful investigation should be made with the view of assessing these causes at their relative weight.

Similarly, it is of vital importance that the question of the good and evil of tenancy as a method of holding land should receive earnest and adequate consideration. To some extent the evils of tenancy have been exaggerated and the good minimized because it has frequently assumed such forms in this country as inevitably result in conditions unfavorable to good farming and a wholesome rural civilization. Only by very careful investigation can the facts be secured which will indicate the relative advantages and disadvantages of the several forms of tenancy now in use in different regions of this and

other countries. If a certain percentage tenancy is not only inevitable but probably desirable, the Nation should be in a position to select those forms which are most wholesome in their consequences.

It is generally agreed that at least a large percentage of farmers should own the land which they live upon and cultivate. We believe, therefore, that the investigations conducted by the Section of Land Economics should be so directed as to determine what areas of land will provide economic holdings under the varied conditions which prevail in different regions and what methods should be employed to facilitate the acquisition of farm land by laborers, tenants, and others actively connected with farming, not only in regions which are now undeveloped, but also in those which are at present devoted to farming.

It is clear that in the settlement of undeveloped regions by the method of colonization under governmental direction the greatest care is required to ascertain in advance whether the conditions of soil, climate, topography, transportation, marketing facilities, and probable costs of production are favorable to successful farming. It is equally important to determine the economical size of holding, the amount of capital required, the kinds of crops and live stock most desirable, and the methods of agriculture that should be employed. It is clear that the great resources of information available in this department and its extensive machinery of investigation should be fully utilized in ascertaining these basic facts, a knowledge of which is so essential to the success and contentment of the settler.

Finally, since large areas of land are still owned by the Federal Government, by the States, and other divisions of government, careful study should be given to the problem of the most economical methods of using these areas while in public ownership. Facts are needed which will show what areas should be placed in the hands of private holders and by what methods the change of ownership may be most successfully realized, as well as what areas should be retained in public ownership. There is little question but that the policies employed in the past have frequently resulted in the sale of land in holdings which are uneconomical in size and without adequate safeguards to prevent the land from being aggregated into unduly large holdings and into properties for speculation.

In view of the magnitude of the problems outlined in the above report and their profound significance in relation to the progress of the basic industry of farming, the welfare of the farming population, and the development of a wholesome rural civilization, we respectfully recommend that the agencies entrusted with the investigation of these problems be given the ample support necessary to make possible the accomplishment of the purposes emphasized in this report.

We recommend that the section in charge of these investigations be called Land Economics instead of Land Utilization, as recommended by a former committee.



